

Message Text

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ORIGIN EB-07

INFO OCT-01 NEA-09 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 /090 R

DRAFTED BY EB/IFD/OIA:RJSMITH

APPROVED BY EB/IFD/OIA:RJSMITH

NEA/ARP:SBUCK

NEA/RA:HMMONTGOMERY

CIEP:JNIEHUSS

----- 071918

P 082253Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA PRIORITY

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E.O. 11652: N/A

TAGS: EIND, EINV, ENRG, SA

SUBJECT: PROPOSED SAUDI ARABIAN JOINT VENTURE WITH U.S.
FIRM, FINDUSTRY INTERNATIONAL, INC. FOR THE PURPOSE OF
PURCHASING TIDEWATER OIL

1. THE ORGANIZERS OF FINDUSTY, ARTHUR A FLETCHER, MAURICE
A. DAWKINS, AND GEORGE L. VAUGHN, JR., MET WITH STAFF LEVEL
REPRESENTATIVES OF STATE, TREASURY, DEFENSE, FEA, NSC, AND
CIEP ON MAY 6. THE MEETING WAS HELD AT THE REQUEST OF
FINDUSTRY IN ORDER FOR THEM TO EXPLAIN THEIR PLANS FOR
PURCHASING THE ASSETS OF TIDEWATER OIL WHICH HAVE BEEN
ORDERED DIVESTED AS A RESULT OF THE FINDINGS IN THE ANTI-
TRUST CASE AGAINST PHILLIPS PETROLEUM COMPANY.

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2. FINDUSTRY CLAIMS IT HAS BEEN DISCUSSING FINANCIAL

ARRANGEMENTS WITH GOVERNMENT CONNECTED SAUDI LENDERS, INCLUDING SHEIK KAMAL ADHAM AND FIRST ARABIA CORPORATION WHO HAVE EXPRESSED WILLINGNESS TO MAKE UP TO DOLS 500,000,000 AVAILABLE IN RETURN FOR PREFERRED STOCK OR CONVERTIBLE DEBENTURES, OR IN FORM OF LOAN SET UP THROUGH DEPOSIT ARRANGEMENT WITH THE BANK OF AMERICA.

3. FLETCHER OF FINDUSTRY SAYS HE EXPECTS SHEIK KAMAL ADHAM TO VISIT AMBASSADOR TO CONFIRM SAUDI INTENTIONS IN THIS

MATTER.

4. REQUEST EMBASSY REPORT ANY INFORMATION RE SAUDI INTENTIONS WITH REGARD THIS INVESTMENT WHICH MAY COME TO ITS ATTENTION FROM SHEIK KAMAL ADHAM OR ANY OTHER SOURCE.

5. IF INFORMATION RECEIVED FROM FINDUSTRY IS CORRECT, THIS WOULD APPEAR TO BE KIND OF INVESTMENT ON WHICH USG WOULD EXPECT ADVANCE CONSULTATIONS WITH FOREIGN GOVERNMENT CONCERNED. FINDUSTRY WAS, OF COURSE, GIVEN NO INDICATION OF POSITION USG MIGHT EVENTUALLY TAKE ON THIS INVESTMENT. KISSINGER

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: woolflhd
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Margaret P. Grafeld
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